

Today, Congresswoman Loretta Sanchez (CA-47), along with Reps. Jerry McNerney, Jim Costa, and George Miller, led a letter signed by twenty eight California lawmakers to the Executive Director of the California Housing Finance Agency (CalHFA), Steven Spears, calling on CalHFA to take serious steps to address the continuing foreclosure crisis in California and provide real assistance to homeowners. The letter also requests that Director Spears meet with the California delegation in Congress to discuss how he and the agency will avoid problems that have plagued local, state, federal, and private efforts to assist homeowners.

“Seven of the ten metro areas hit hardest by the foreclosure crisis are in California,” Rep. Sanchez said. “The crisis has been exacerbated by banks that are unwilling to work constructively with borrowers to achieve more affordable monthly payments. Practices like robo-signers and rampant delays in processing paperwork have led many California families to be needlessly thrown out of their homes.

“Enough is enough. We want to hear from Director Spears about how CalHFA’s proposed ‘Keep Your Home California’ Program will avoid these problems and keep people in their homes. I’m committed to working with CalHFA to ensure that this program accomplishes all that it has set out to achieve. Hopefully, working together, we can help tens of thousands of Californians stay in their homes.”

The Keep Your Home California Program has received funding through the U.S. Treasury Department’s Hardest Hit Fund Program, which provides funds to state housing agencies in states that have been hit particularly hard by the housing crisis. Reps. Sanchez, McNerney, Costa, and Miller helped ensure that a fair share of Hardest Hit Funds was provided to California, with CalHFA receiving a \$2 billion grant from the Treasury Department. CalHFA has outlined a program that includes principal reduction, bridge loans for unemployed homeowners, mortgage reinstatement assistance for delinquent homeowners, and transition assistance for struggling homeowners moving to new housing.

A few weeks ago, Rep. Loretta Sanchez and several other California lawmakers also called on the Obama Administration to investigate whether large lenders had violated the law by flagrantly allowing many homeowners to lose their homes through their outright negligence. As a result of this pressure, large lenders like Bank of American temporarily halted their foreclosure proceedings and the Attorneys General for all fifty states have joined in a nationwide investigation into these abusive practices.

The following Members of Congress have also signed on to the letter to CalHFA: Jerry McNerney (CA-11), Jim Costa (CA-20), George Miller (CA-07), Joe Baca (CA-43), Xavier Becerra (CA-31), Howard Berman (CA-28), Lois Capps (CA-23), Dennis Cardoza (CA-18), Judy Chu (CA-32), Susan Davis (CA-53), Anna Eshoo (CA-14), Bob Filner (CA-51), John Garamendi (CA-10), Jane Harman (CA-36), Mike Honda (CA-15), Barbara Lee (CA-09), Zoe Lofgren (CA-16), Doris Matsui (CA-05), Laura Richardson (CA-37), Lucille Roybal-Allard (CA-34), Linda Sanchez (CA-39), Adam Schiff (CA-29), Jackie Speier (CA-12), Pete Stark (CA-13), Mike Thompson (CA-01), Henry Waxman (CA-30), and Lynn Woolsey (CA-06)